

In the United States District Court
District of South Carolina
Greenville Division
C.A. NO. 6:18-CV-02845-DCC

FLAME SPRAY NORTH AMERICA, INC.,

Plaintiff(s),

vs.

KERR PUMPS, INC,

Defendant(s).

30 (B) (6) DEPOSITION OF

RAY MONAHAN

Pursuant to notice of deposition and/or agreement
in the above-entitled case, a deposition of Ray Monahan
was taken on the 30th day of September, 2020, commencing
at approximately 2:45 p.m., attended as follows:

DEPOSITIONS AND..., INC.
864-235-3518

EXHIBIT 5

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1 Q. What is your occupation, Mr. Monahan?

2 A. I'm the president of a company in Piedmont.

3 Q. Piedmont, South Carolina?

4 A. Yes.

5 Q. How long have you lived in South Carolina?

6 A. Twenty-four years.

7 Q. Twenty-four years. What is your educational
8 background?

9 A. I have a bachelor's degree in industrial
10 technology, and graduate of U.S. Army Command and
11 General Staff College. I retired as a Lieutenant
12 Colonel in the Reserves.

13 Q. Okay. What part of the -- what branch?

14 A. Army.

15 Q. What was your subspecialty?

16 A. Military police.

17 Q. Okay, great. Going back to 2017, 2018, you had an
18 affiliation with Flame Spray North America?

19 A. Correct.

20 Q. Do you currently have that same affiliation?

21 A. No.

22 Q. What was, in your own words, what was your
23 affiliation with Flame Spray?

24 A. I was the president of a heat treat shop in
25 Greenville called Ionic Technologies from 1998

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1 until the end of 2014.

2 Q. Ionic?

3 A. Ionic, I-O-N-I-C.

4 Q. Okay, thank you.

5 A. Technologies. And Flame Spray, at one time, was a
6 customer of ours. In 2014, I retired from that.

7 And I remained a consultant until 2016, part-time.

8 And in 2016, I discussed with Paolo Mor about

9 being an independent manufacturer's representative

10 for them, for diffusion coatings and for thermal

11 sprays.

12 Q. Diffusion coatings and thermal sprays?

13 A. Correct.

14 Q. And is that something that you had some experience
15 with?

16 A. I had some background in thermal sprays, and a
17 little bit in diffusion coatings on the boranizing
18 side, but not on the aluminizing or the chromizing
19 side, which is something they do as well.

20 Q. Okay. And after you had those discussions with
21 Mr. Mor, did that come to fruition?

22 A. Yes. They decided to give me a stipend, a
23 thousand dollars a month, until we developed some
24 business. And that happened through, I want to
25 say in March, we took the first trip to Kerr

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1 Pumps, because Kerr had been a customer of Ionic,
2 and I knew them. I also knew that they had
3 plungers that they were making that they were
4 outsourcing. So I thought it would be a good
5 opportunity for us to go out and talk to them. I
6 believe we did in either February or March of
7 2017.

8 Q. 2017, okay. And when did your affiliation with
9 Flame Spray end?

10 A. They sent an email at the end of 2019, that it
11 would end at the end of 2019.

12 Q. Okay. So ten months ago, give or take? Just
13 making sure were on the same year.

14 A. Uh-huh.

15 Q. With regards to -- were you working full-time
16 with --

17 A. No.

18 Q. -- Flame Spray during that time?

19 A. No. I had -- at that time, I had a business where
20 I was representing people who sell heat treating
21 equipment, and that was my background. My
22 background was in materials and heat treating. So
23 I was representing a German company called KGO,
24 which made gas nitriders and temper furnaces. I
25 was representing a company in Germany called Von

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1 Q. Were you ever involved in getting them any other
2 contracts besides Kerr?

3 A. Yes.

4 Q. Okay. And obviously, you were involved in -- they
5 had purchase orders with Kerr; correct?

6 A. Correct.

7 Q. Now, describe for me, if you would, what your role
8 was. Were you the one who put Kerr and Flame
9 Spray in communication with each other?

10 A. Yes.

11 Q. And that was because you had had some prior
12 relationship with Kerr?

13 A. I did business with them, developing certain
14 processes for them in the heat treat business.

15 Q. So it was you that picked up the phone or sent an
16 email or called somebody from Kerr and said, hey,
17 you know, I'm representing this company?

18 A. Actually, I was out there, as I was still
19 consulting for Ionic at the time. And that was
20 one of the accounts that I developed for them.
21 And while I was out there, they brought up the
22 fact they had plungers, so that's why I started --
23 and coating work, thermal spray work. That's why
24 I put the business relationship together with
25 Flame Spray.

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1 Q. I gotcha. And how far in advance of when -- and
2 I'll show you some emails -- but how far in
3 advance of that was that meeting with Kerr? Was
4 that weeks, or days?

5 A. Probably -- yeah, probably the end of 2016 or the
6 beginning of 2017.

7 Q. Fair enough. And my understanding is you, at some
8 point, went out to Oklahoma multiple times on
9 behalf of Flame Spray to see Kerr. Is that
10 correct?

11 A. Correct. With Mr. Mor, most of the time.

12 Q. I was going to say, did you ever go without Mr.
13 Mor?

14 A. Yes. Once.

15 Q. Once? And how many times, roughly, did you go
16 with Mr. Mor?

17 A. Three or four times.

18 Q. Three or four with Mr. Mor, okay. When did you go
19 without Mr. Mor?

20 A. I want to say it was in the summertime of either
21 2017 or '18, because he was on vacation, and
22 didn't go with me.

23 Q. Do you know if that was when the parties were in
24 the midst of production? Or were they having
25 issues?

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1 Q. Okay. And let's look, if we would, at -- and I've
2 got these in somewhat order. So if you would,
3 look at 1 and 2. And you can see --

4 A. Okay.

5 Q. -- the 1 and 2, I think, go together. But you
6 tell me what, if anything, if you recall ever
7 seeing those. If you don't, then...

8 A. Yeah, he sent me this choice -- I made this quote
9 because we have it -- I mean, I think we met with
10 them at the end of February for the first time.
11 And then we went back at the end of March.

12 Q. And it looks like Exhibit 2 is an email from you
13 to Tyler and Jake --

14 A. Correct.

15 Q. -- copying Paolo --

16 A. Right. They had given us an example of a part,
17 and Marco Prosperini and I and Paolo went into the
18 lab and we looked at the surface finish on that
19 part, and the surface finish on that pump was not
20 very good.

21 Q. And so --

22 A. That's why I mentioned the quality of the grinding
23 on the first one.

24 Q. Okay. And it looks like in Exhibit 2, it looks
25 like the email, and then Exhibit 1 actually looks

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1 A. Yeah. It's more surface area.

2 Q. More surface area, thank you. Okay. So let me --

3 A. So these were made in Italy. The first batches
4 were made in Italy.

5 Q. The first batches were made in Italy.

6 A. Correct.

7 Q. So if you look at Exhibit 4. And if you would,
8 just put 1 through 3 -- if you can turn them over
9 like that, that'd be great. Look at Exhibit 4 --

10 A. Yeah.

11 Q. -- and I'm going to give you a second to look at
12 that. And it's multiple pages. I apologize.

13 A. Okay.

14 Q. That's an email string.

15 A. Okay. So what do you want me to say about this?

16 Q. My reading of this is that --

17 A. He had told me on the phone that he wanted the
18 premium product. And I told him we would quote
19 I'm on the two premium grades.

20 Q. Okay. And then, I'm looking at the middle of that
21 where you sent the email that said, that starts,
22 Tyler, Jake, Paolo. Paolo and I had a discussion
23 this morning about the options for coatings. You
24 see that?

25 A. Yes.

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1 Q. Okay. And --

2 A. Right, because we --

3 Q. -- below that, it says, we can prepare a quotation
4 for a tungsten carbide coating. There are two
5 options, a 1200 Vickers hardness coating, and a
6 premium 1500 Vickers hardness coating.

7 A. Right.

8 Q. Where did you get that information from? Did that
9 come from Paolo?

10 A. Yes.

11 Q. Okay. I mean, you understand, but if you would
12 explain for me in layman's terms, what Vickers
13 hardness coating is.

14 A. The scale of Vickers exceeds what's called the
15 normal Rockwell scale. So the Rockwell scale goes
16 to 70 Rockwell, which is pretty hard. Diamond
17 would be 100. So in relationship, this would be
18 somewhere in the 8 range, if you would, converted
19 over to a Rockwell scale. But the Rockwell scale,
20 as I said, stops at 70. And 70 is 1017 Vickers.

21 Q. Okay.

22 A. So this is much harder than that.

23 Q. So this is harder than the highest of the Rockwell
24 scale?

25 A. Correct.

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1 A. Oh, monthly.

2 Q. Monthly?

3 A. Yeah.

4 Q. Usually a phone call, email, just --

5 A. Phone call, email, text, whatever.

6 Q. Who was that to?

7 A. Jake.

8 Q. Did Jake --

9 A. The operations manager. He was the one installing
10 them in the field.

11 Q. Okay. Jake was the guy you would be talking to.
12 When did you first learn that there was an issue
13 with any of these?

14 A. I want to say May of 2018.

15 Q. May of 2018. And my understanding is you were
16 still in the same, basically -- you know.

17 A. Well, we had moved out. We had started production
18 in Fountain Inn at that point.

19 Q. Okay, so they had switched production to America
20 at that point?

21 A. They had done both. They did both.

22 Q. Okay. But you were still in your same capacity
23 with Flame Spray; correct?

24 A. Correct.

25 Q. Okay. Did you ever observe any of the production

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1 at the American facility about the production of
2 Kerr pumps, or plungers?

3 A. Not until we had a problem.

4 Q. Okay. When you had a problem, who did you have a
5 discussion with?

6 A. Paolo.

7 Q. And what were your discussions with Paolo, that
8 you recall?

9 A. Well, that they had sent us some pictures of some
10 parts that had delaminated or cracked.

11 Q. Let me just stop you. Delaminated; what does that
12 mean?

13 A. The coating came off.

14 Q. Coating came off of the plunger?

15 A. Correct.

16 Q. And so they send you some pictures, and you talked
17 to Paolo.

18 A. They sent him the pictures, too. So...

19 Q. Sent him the pictures?

20 A. Yeah.

21 Q. Sent both of you. So you'd have a discussion with
22 Paolo?

23 A. Correct.

24 Q. And what's the discussion, that you recall?

25 A. The discussion we had was that in the beginning,

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1 far as it went? Was there any further discussion
2 with him or with anybody else about --

3 A. No. I mean, that was later on. And at that
4 point, I had suggested to Paolo that we should
5 change the material and induction hardening, and
6 then put the coating down and grind it, where we
7 had a surface that was -- had a deep case with a
8 higher hardness, a Rockwell hardness. Because
9 this material itself did not have a very high
10 Rockwell hardness.

11 Q. When you say, "this material," you talking about
12 the steel?

13 A. Yes.

14 Q. Okay, the steel.

15 A. The base steel does not have a very high hardness.

16 Q. Okay.

17 A. Only because using the Colonoy product, you spray
18 the Colonoy product on, then you put it into a
19 furnace and you diffuse it at the metal, so it
20 becomes metallurgically bonded. While these are
21 non-metallurgically bonded.

22 Q. So you suggested let's, basically, heat treat the
23 steel before we put the coating on?

24 A. Correct.

25 Q. Okay. What was Paolo's reaction to that?

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1 A. He said Dario (phonetic) thought it was a genius
2 idea, who's the engineer in Italy.

3 Q. Okay. Do you know if that attempt ever was made?

4 A. Yes.

5 Q. It was?

6 A. Yes.

7 Q. Did that improve the quality?

8 A. I don't know if they tested them.

9 Q. You don't know if Kerr ever tested them?

10 A. No, I don't know if Kerr tested them, but I know
11 they used it for another customer.

12 Q. Flame Spray used it for another customer?

13 A. Yeah.

14 Q. Which customer was that?

15 A. I think it was a customer that, like, the first of
16 them I had in Houston called Black Horse.

17 Q. Black Horse, okay. And that was the same kind of
18 plunger?

19 A. Yes. They're pretty much all the same.

20 Q. Okay. The only difference being the heating of
21 the steel, but the -- it was still --

22 A. We changed the steel.

23 Q. You changed the steel?

24 A. Right.

25 Q. Okay. But they still use the same outer coating?

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1 A. Correct.

2 Q. What coating did it use on the flappers?

3 A. A different one. A less harder coating, tungsten
4 carbide. I'd have to look it up to tell you.

5 Q. Okay.

6 A. 634, I think.

7 Q. And is it your understanding that Kerr never had
8 any issue with the flappers?

9 A. No, they did not.

10 Q. And even after the --

11 A. It's a different application.

12 Q. Even after the complaints about the plungers, did
13 Kerr continue to do business with Flame Spray and
14 order flappers from Flame Spray?

15 A. Yes, only the flappers.

16 Q. All right. And after this June 1st PowerPoint
17 presentation, that's when Kerr got the sample
18 plungers; correct?

19 A. Yes, I believe so.

20 Q. Okay. And after Kerr got the sample plungers, is
21 it your understanding that it did field testing of
22 those samples?

23 A. Yes.

24 Q. And what was your understanding of Kerr's
25 satisfaction with the sample plungers?